MEMORANDUM

## NATIONAL SECURITY COUNCIL

May 12, 1980

SECRET INFORMATION

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI

FROM:

THOMAS THORNTO

SUBJECT:

Briefing Memorandum - Argentine PRC (U)

State has generated a lot of paper for this meeting. At Tab B is a "discussion paper" that was written for the planned, but cancelled, meeting on Argentina two weeks ago. You can skip it. (U)

At Tab A is the issues paper for the current meeting. Although it makes reference to the earlier "discussion paper" it is essentially self-contained. After a three-page discussion of the setting, the paper goes into the mid-range issues in some detail and then concludes with three broad options for policy (pp. 10-11). Not surprisingly, the middle of these options is the policy that was proposed in the old discussion paper. The two surrounding options can be characterized as the "Pat Derian Option" -- a very cool approach to the Argentinians and the "DOD Option" -- which would press ahead more rapidly than we are doing now. There is an annex on Soviet-Argentine relations that you can skip. (S)

I would not recommend that you get involved in the discussion effective by ensuring that some basic considerations are kept in view:

-- We are concerned about the growth of <u>Soviet influence</u> in the Southern Cone, Brazil as well as Argentina. We should avoid forcing Argentina to turn to the Soviets, but our main thrust (in private discussions as you did with Martinez, but also publicly) should be to point out that Argentina is approachabsic choice in its orientation. There is only one way that choice can go, given Argentine history and the anti-Communist rationale used to justify the regime's policies. We should enlist the support of our allies in this. (S)

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- -- Argentina has given us little to be thankful for on grain sales to the USSR. Their exports have substantially weakened the effectiveness of the grain suspension, and we have no reason to believe they will be more cooperative in the next crop year. Within our overall strategy, we should keep strong pressure on them; attempt to elicit their support (however unlikely); and not be apologetic about our own actions (as State has tended to be). (C)
- -- We should not gratuitously offend Argentina on <a href="https://www.numar.n
- -- Military contacts are important and should be encouraged in an inconspicuous way. They should be done in a way that underscores, rather than weakens, our human rights policy. It would be foolhardy to seek any revisions in the legislation at this time to permit us to sell military equipment to Argentina. That would be too clear an abandonment of our human rights policy. This is true even for sale of training, as desirable as that may be in itself. (Madeleine agrees.) (S)

Overall, the choice has to be for Option B. Much, however, will depend on the manner of our presentation. We should be tough with Argentina, not approach them as a suppliant. Through the three visits to B.A., we have made a serious opening bid and have gotten nothing in return except perhaps their decision on the Olympics. If some of our human rights people have been overly zealous they may need to be reined in a bit, but the essence of the problem is in Argentine performance, not our reaction to it. (S)

Bob Pastor points out that Argentina was not helpful to us at San Jose, partly in deference to Cuba. Add to this their failure to carry through on their promises to ratify Tlatelolco and their other shortcomings and we have a picture of a pretty

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tough case. We should handle it that way, while trying to get Argentina to shape up on issues of importance to us. (S)

Addendum (I): Our commercial relations with Argentina are not part of the agenda but may be raised by Luther Hodges. The most important pending item is OPIC guarantees for US involvement in a hydroelectric project, affecting both Argentina and Paraguay. The relevant human rights legislation is apparently ironclad and precludes OPIC support. Yet Hodges has just completed a trip to Argentinta to promote US sales of hydroelectric equipment! The Christopher committee will meet on this one Thursday and Linc and I will try to find a reasonable solution to this silly situation. It looks, however, like we may be in a legal straight-jacket. (C)

Addendum (II): Brazil is also not specifically on the agenda and although we are of course concerned about Soviet blandishments there, I see no issue that needs PRC consideration. Ambassador Sayre wrote to Harold Brown (who sent a copy of the letter to you -- Tab C) about exchange of military visits. That, however, can be handled routinely. (C)

Clearances: Lincoln Bloomfield (in draft)
Tim Deal (" " )
Jerry Oplinger (" " )

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